

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 07/05/2012

POSITION: Neutral, note concerns

SPONSOR: Association of California School Administrators

BILL NUMBER: SB 1154

AUTHOR: Walters, Mimi

RELATED BILLS: AB 1790 (Hagman)

BILL SUMMARY: Instructional Materials: Digital Format

This bill would make the following changes related to instructional materials:

- Require that a publisher that offers basic instructional materials in both a printed format and a digital format offer the digital materials at the same or lower cost as the printed version.
- Require that a publisher that offers printed supplemental materials to offer equivalent digital materials at the same or lower cost as the printed version.
- Allow the State Board of Education (Board), for materials for kindergarten through grade 8, or school district governing boards, for materials for grades 9 through 12, to approve substitute digital materials when a publisher cannot obtain copyrights necessary to produce equivalent digital materials.
- Require materials to be offered as individual elements, rather than as bundled packages, to allow for digital and print materials to be purchased separately from other components.
- Allow a district to create an online district-wide database of instructional materials, if the district reaches an agreement with the publisher regarding the use of a security system.
- Exempt small publishers, defined as those with 100 or fewer employees and gross receipts of \$10 million or less, from these requirements.

The bill would become operative only if AB 1790 (Hagman) is also enacted. AB 1790 would require a publisher that submits an instructional material for adoption by the Board or by a local governing board to ensure that the printed material is also available in a digital format for the entire period of the adoption.

FISCAL SUMMARY

The State Department of Education indicates that this bill could result in new, ongoing General Fund state operations costs to review digital materials that are submitted as substitutions for previously-approved printed materials. Because the bill would place new requirements on publishers, the bill could increase the costs of purchasing materials. If it does so, this bill could result in increased Proposition 98 General Fund cost pressures for districts when they purchase new materials.

COMMENTS

The Department of Finance is neutral on this bill because it could make instructional materials more available in digital formats and provide districts with additional flexibility when they make purchasing decisions. Finance notes the following concerns:

- The bill could increase costs for school districts to purchase instructional materials. The requirement for publishers to produce digital equivalents could increase the publishers' costs, which could be shifted to school districts through higher prices.

Analyst/Principal (0323) E.Wynne	Date	Program Budget Manager Nicolas Schweizer	Date
Department Deputy Director		Date	
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

Walters, Mimi

07/05/2012

SB 1154

COMMENTS (continued)

- Requiring "equivalent" materials in a digital format limits publishers' ability to innovate as they develop materials and ignores instructional benefits that can be achieved by structuring materials in ways that take advantage of evolving technology platforms.
- The bill could result in new General Fund costs at a time when other state programs are being reduced or eliminated.

The Board has constitutional authority to adopt basic instructional materials for use in grades one through eight and statutory authority to adopt materials for use in kindergarten. Existing law establishes the Instructional Quality Commission (Commission) as an advisory body to the Board. As part of the instructional materials adoption process, the Commission recommends curriculum frameworks, evaluates instructional materials, and recommends materials for adoption. These materials can be printed or nonprinted and can include textbooks, technology-based materials, other educational materials, or tests. Local school district governing boards adopt instructional materials for grades 9 through 12.

Chapter 2, Statutes of the 2009-10 Fourth Extraordinary Session, related to the Budget Act of 2009, prohibited the Board from adopting instructional materials and curriculum frameworks until the 2013-14 school year. Subsequent legislation extended this prohibition until the 2015-16 school year. Additionally, through the 2014-15 fiscal year, districts have been provided with broad flexibility to spend funds provided for instructional materials for any educational purpose.

In August 2010, the Board adopted new standards in English language arts and mathematics based on the Common Core State Standards. To implement these new standards, the Board is required adopt revised curriculum frameworks in mathematics by May 30, 2013, and in English language arts by May 30, 2014 and to approve, reject, or revise supplemental instructional materials by September 30, 2012. School districts can also approve supplemental materials that meet the Board-adopted criteria.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)					
	LA	(Dollars in Thousands)					
	CO	PROP					Fund
	RV	98	FC	2012-2013 FC	2013-2014 FC	2014-2015	Code
6110/Dept of Educ	LA	Yes		----- See Fiscal Summary -----			0001
6110/Dept of Educ	SO	No		----- See Fiscal Summary -----			0001